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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/749,614	12/30/2003	Brian Alan Grove	2043.033US2	9853

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EXAMINER
GART, MATTHEW S

ART UNIT	PAPER NUMBER
3625	

SHORTENED STATUTORY PERIOD OF RESPONSE	MAIL DATE	DELIVERY MODE
3 MONTHS	01/17/2007	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

If NO period for reply is specified above, the maximum statutory period will apply and will expire 6 MONTHS from the mailing date of this communication.

Office Action Summary

Application No.

10/749,614

Applicant(s)

GROVE ET AL.

Examiner

Matthew S. Gart

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 22 November 2006.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-20, 26-31, 34-53 and 59-78 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-20, 26-31, 34-53 and 59-78 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 12/30/2003 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

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DETAILED ACTION

Election/Restrictions

Applicant's election without traverse of claims 1-20, 26-31, 34-53 and 59-78 in the reply filed on 11/22/2006 is acknowledged. Claims 21-25, 32-33, 54-58 and 79-83 have been cancelled.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 34-35, 37-52, 59-60 and 62-77 are rejected under 35 U.S.C. 101.

Referring to claims 34-35, 37-40, 59-60 and 62-65. Claims 34-35, 37-40, 59-60 and 62-65 do not provide a practical application that produces a useful result. For an invention to be "useful" it must satisfy the utility requirement of section 101. The USPTO's official interpretation of the utility requirement provides that the utility of an invention has to be (i) specific, (ii) substantial and (iii) credible. MPEP § 2107.

The preamble of claims 34 and 59 sets forth a method to facilitate operation of a network-based commerce system. The body of the claims is not commensurate with the scope of the preamble of claims 34 and 59, and does not provide the "active steps" necessary to achieve the preamble's purported utility.

Referring to claims 41-52 and 66-77. Claims 41-52 and 66-77 do not provide a practical application that produces a useful result. For an invention to be "useful" it must satisfy the utility requirement of section 101. The USPTO's official interpretation of the utility requirement provides that the utility of an invention has to be (i) specific, (ii) substantial and (iii) credible. MPEP § 2107.

The claims merely set forth the facilitation of an auction process. The body of the claim set is absent of any active process steps and therefore does not move to manifest

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a useful result. Utility is not realized until the method automatically notifies the buyer when the reserve price has been published as taught in claim 78.

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

Claims 1-20, 26-31, 34-53 and 59-78 are rejected under 35 U.S.C. 102(b) as being anticipated by Auction Arms (Hereinafter “Arms”).

Referring to claim 1. Arms discloses a network-based commerce system including:

- A processor coupled to a memory through a bus (Arms: page 1, “Or you can access the most powerful online market of gun bidders on the planet by listing your product for sale!”); and
- An auction price-setting process executed from the memory by the processor to cause the processor to automatically publish at least one of a proxy bid information and a reserve price if a high proxy bid is less than the reserve price (Arms: page 7, “All bids lower than the Seller’s reserve price are in the open and visible for everyone to see.”), the proxy bid information and the reserve price being associated with a listing for an item during an auction price-setting process (Arms: pages 11-12).

Referring to claim 2. Arms discloses a system wherein the auction price-setting process further causes the processor to automatically retract publication of the proxy bid

information upon the high proxy bid exceeding the reserve price (Arms: page 7, "After the Seller's reserve has been met, proxy bidding kicks in and Max bids are kept hidden while proxy bids placed by the computer and bids beaten by a proxy bid are displayed.").

Referring to claim 3. Arms further discloses a network-based commerce system wherein the auction price-setting process further causes the processor to facilitate a request for an adjustment of a fixed price offer associated with a listing for an item utilizing the auction price-setting process, the request to be sent to a seller of the listing (Arms: page 7, "Reserve Style Auction").

Referring to claim 4. Arms disclose a network-based commerce system, wherein the publication is performed during the auction price-setting process (Arms: page 11-12).

Referring to claim 5. Arms disclose a network-based commerce system, wherein the publication is performed after the auction price-setting process (Arms: page 13, The Examiner notes, Bidding on Item #1218261 is closed, but price publication is still being performed).

Referring to claim 6. Arms disclose a network-based commerce system, wherein the auction price-setting process further causes the processor to automatically notify a

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buyer when the reserve price is published (Arms: page 8, "You will be notified at any time that you've been outbid, or any time a proxy bid has been placed for you.").

Referring to claim 7. Arms disclose a network-based commerce system, wherein the publication includes publishing for view by a specific bidder only (Arms: page 8, "You will be notified at any time that you've been outbid, or any time a proxy bid has been placed for you.").

Referring to claim 8. Arms discloses a network-based commerce system for facilitating a network-based auction price-setting process, the network-based commerce system including:

- A processor coupled to a memory through a bus (Arms: page 1, "Or you can access the most powerful online market of gun bidders on the planet by listing your product for sale!"); and
- An auction price-setting process executed from the memory by the processor to cause the processor to facilitate an exchange of proxy information of a buyer and reserve price information of a seller, the proxy information and the reserve price information being associated with a listing utilizing the auction price-setting process (Arms: page 7, "Reserve Style Auction").

Referring to claim 9. Arms disclose a network-based commerce system wherein the proxy information and the reserve price information are automatically exchanged

upon conclusion of the auction price-setting process (Arms: page 9, "If I didn't receive an email, can I contact the seller?").

Referring to claim 10. Arms disclose a network-based commerce system wherein the proxy information and the reserve price information are automatically exchanged during the auction price-setting process (Arms: page 9, "If I didn't receive an email, can I contact the seller?").

Referring to claim 11. Arms disclose a network-based commerce system wherein the auction price-setting process further causes the processor to automatically invite at least one of the seller and the buyer to exchange the proxy and the reserve price information (Arms: page 9, "If I didn't receive an email, can I contact the seller?").

Referring to claim 12. Arms disclose a network-based commerce system wherein at least one of the buyer and the seller is automatically invited to exchange the proxy and the reserve price information when a proxy bid associated with the seller and the reserve price are within a predetermined proximity of each other (Arms: page 9, "If I didn't receive an email, can I contact the seller?").

Referring to claim 13. Arms disclose a method according to claim 12 as indicated supra. Arms does not expressly disclose a network-based commerce system wherein the predetermined proximity is within twenty percent of each other. However,

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the wherein clause merely states the result of claim 13 and adds nothing to the patentability or substance of the claim. See *Texas Instruments Inc. v. International Trade Commission*, 26 USPQ2d 1010 (Fed. Cir. 1993). Furthermore, the applicant has not persuasively demonstrated the step of having a proximity within twenty percent, versus that shown in the prior art.

Referring to claim 14. Arms disclose a network-based commerce system wherein the exchange of information is a secured exchange of information (Arms: page 6, "FFL").

Referring to claim 15. Arms disclose a network-based commerce system wherein the invitation is indicated in the listing (Arms: page 16).

Referring to claim 16. Arms disclose a network-based commerce system wherein the invitation is indicated in the listing before the auction price-setting process (Arms: page 16).

Referring to claim 17. Arms disclose a network-based commerce system wherein the invitation is indicated in the listing after the auction price-setting process (Arms: page 9, "If I didn't receive an email, can I contact the seller?").

Referring to claim 18. Arms disclose a network-based commerce system wherein the exchange is performed by automatically publishing at least one of the proxy information and the reserve price information (Arms: page 7, "All bids lower than the Seller's reserve price are in the open and visible for everyone to see.").

Referring to claim 19. Arms disclose a network-based commerce system wherein the auction price-setting process further causes the processor to facilitate a request for an adjustment of a fixed price offer associated with a listing for an item utilizing the auction price-setting process, the request to be sent to a seller of the listing (Arms: page 7, "Reserve Style Auction").

Referring to claim 20. Arms disclose a network-based commerce system wherein the auction price-setting process further causes the processor to notify automatically the buyer when the reserve price has been published (Arms: page 8, "You will be notified at any time that you've been outbid, or any time a proxy bid has been placed for you.").

Referring to claims 26-31. Claims 26-31 contains limitation similar to claims 1-20 as indicated supra. Claims 26-31 are rejected under the same rationale as set forth above in claims 1-20.

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Referring to claims 34-53. Claims 34-53 contains limitation similar to claims 1-20 as indicated supra. Claims 34-53 are rejected under the same rationale as set forth above in claims 1-20.

Referring to claims 59-78. Claims 59-78 contains limitation similar to claims 1-20 as indicated supra. Claims 58-78 are rejected under the same rationale as set forth above in claims 1-20.

Conclusion

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Boarman, U.S. Patent No. 6,609,112 B1, August 19, 2003, discloses a system and method for providing proxy-based online dutch auction services.

Dinwoodie, U.S. Patent Application Publication No. 2005/0125330, June 9, 2005, discloses an auction system for remote bidding and method.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Matthew S. Gart whose telephone number is 571-272-3955. The examiner can normally be reached on M-F, 9-6.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Wynn Coggins can be reached on 571-272-7159. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

MSG
Primary Examiner
January 8, 2007


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